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descriptive studies which cannot fail to be of value to students of this problem.

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#### NEW BOOKS

- COSOIU, M. N. *Die belgische Handelspolitik der letzten 40 Jahre.* Munchener volkswirtschaftliche Studien, 128. (Stuttgart: Cotta. 1914. Pp. xii, 80. 3.50 M.)
- MUSGRAVE, C. E. *The London Chamber of Commerce from 1881 to 1914. A retrospective appreciation.* (London: Effingham Wilson. 1914. Pp. viii, 93. 2s. 6d.)
- PINNER, W. *Der Getreideterminhandel in Deutschland vor und seit der Reichsbörsengesetzgebung.* (Berlin: Springer. 1914. Pp. vi, 90. 2.80 M.)

### Accounting, Business Methods, Investments, and the Exchanges

*Cost Reports for Executives as a Means of Plant Control.* By BENJAMIN A. FRANKLIN. (New York: The Engineering Magazine Company. 1913. Pp. 149. \$5.00.)

The title of the book accurately suggests its contents. The author has endeavored with a commendable degree of success to write a book that, while sketching in clear outline the features essential to every adequate cost system, brings a message to the responsible manager of a business, and shows, in language free from unnecessary technicalities and illustrated by a number of forms, the place of a cost system in a well-planned business organization and the practical results that can be obtained by its intelligent use.

Emphasis is laid upon the principle that costs must be a part of the accounting system and that the totals derived from the cost accounts must be in agreement with the corresponding figures in the financial books. To one not acquainted with the literature on cost accounting this might seem like emphasizing the obvious, but in view of the much careless thinking that has found its way into print it is well to lay stress on a fact so essential.

Separate chapters are devoted to such subjects as the philosophy of costs, economic consideration of material by costs, labor from cost viewpoint, vexing question of expense, statistics as an aid, cost system, and the basic improvement. In these chapters

will be found a discussion of the more important questions arising in connection with the operation of a cost system that has been successfully installed; and, while no attempt can here be made to even summarize their contents, attention may be called briefly to a few of the points.

All costs may be resolved into three elements—material, labor, and expense. The first and third are important because of their relatively large bulk and the danger of waste and loss inherent in each. Both are, however, inanimate, while an ever growing human interest centers in labor. Here too is found danger of waste; but while a cost system can be made equally effective in controlling and checking such wastes, it can also record and report the efficiency of labor. If the labor question is ever to approach an equitable solution, the executive management of every business must first of all know the facts regarding labor performance and costs in its own organization, and, so far as is practicable, allow these facts to be frankly known to the workers. The day is passing when business can be done in a corner; we are becoming accustomed to publicity of corporation accounts, and business does not appear to have suffered thereby. Perhaps it will soon be equally common for manufacturers to furnish to their workers accurate statements of significant facts relating to their contribution to the enterprise.

Comparison of costs and other results within an organization is useful and often essential to success. A similar comparison between different organizations will no doubt be of increasing value in tariff, public regulation, and other matters. In this connection it must be remembered that accounting records are inanimate and must be viewed with some skill of imagination if their most useful function is to be realized. Mr. Franklin makes it clear that the mere compilation of cost records is of little value unless they are the subject of intelligent and sympathetic study by the executive organization.

The book is not free from minor faults, such as the use of the terms "Accounts Received" and "Bills Received," on Form 1 opposite page 44, instead of "Receivable" in both instances. It is also something of a contradiction to read on page 42 reasons that appear, as they are evidently intended, to prove conclusively that costs should be a part of the bookkeeping system and then to find on page 139 that "the cost system takes hold where accounting

leaves off." The book is interestingly written, suggestive rather than dogmatic in style, and its conclusions are clearly based upon careful observations covering a wide experience.

J. E. STERRETT.

#### NEW BOOKS

- BEIGEL, R. *Lehrbuch der Buchführungs- und Bilanzrevision*. (Dresden: Kühtmann. 1914. 9.50 M.)
- BLACK, H. C. *A treatise on the law and practice of bankruptcy, under the act of Congress of 1898*. (Kansas City, Mo.: Vernon Law Bk. Co. 1914. Pp. xxv, 1852. \$9.)
- BRENISER, R. D. *The schemes back of the ads. Light on the real methods of advertisers*. (Philadelphia: R. D. Breniser. 1914. Pp. 36. \$1.)
- BROMLEY, G. W. *Owners of real estate, borough of Manhattan, city of New York*. (New York: G. W. Bromley & Co. 1914. Pp. 740. \$75.)
- BUNTING, H. S. *The elementary laws of advertising and how to use them*. (Chicago: Novelty News Press. 1913. Pp. 188. \$2.)
- CAMPBELL, D. *The law of stockbrokers, with reference to transactions for customers on the New York stock exchange*. (New York: Baker, Voorhis & Co. 1914. Pp. xvi, 114. \$1.50.)
- CLIFFORD, W. G. *Building your business by mail; a compilation of successful direct advertising campaigns drawn from the experience records of three hundred and sixty-one firms, representing every line of business*. (Chicago. Business Research Pub. Co. 1914. Pp. 448. \$2.)
- COLINET, C. *Les bourses de valeurs mobilières en Belgique. Situation actuelle et projets de réformes*. (Brussels: Pierre van Fleteren. 1913. Pp. viii, 363. 4 fr.)
- DIEMER, H. *Factory organization and administration*. Second edition, enlarged. (New York: McGraw-Hill. 1914. Pp. xv, 378. \$3.)
- DOOLEY, W. H. *Textiles for commercial, industrial, and domestic arts schools; also adapted to those engaged in wholesale and retail dry goods, wool, cotton, and dressmaker's trades*. (Boston: Heath. 1914. Pp. xii, 329. \$1.)
- EDWARDS, H. M. *Electric light accounts and their significance*. (New York: McGraw-Hill. 1914. Pp. 172. \$2.)
- ELBOURNE, E. T. *Factory administration and accounts*. (New York: Longmans. 1914. \$7.50.)
- EMERSON, H. *Col. J. M. Schoonmaker and the Pittsburgh & Lake*